

**Application number: 09/534233**

**Art Unit: 3692**

**Applicant: Khai Hee Kwan**

**Examiner: Clement, B Graham.**

Title: System and method for conducting an electronic financial asset deposit auction over computer network

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

TO: Commissioner for Patents  
Virginia 22313-1450

5

APPEAL BRIEF (37 C.F.R. 41.37)

ATTEN: Board of Patent Appeals and Interferences

10

The following is the applicant's AMENDED brief in response to Notification of Non compliant appeal brief 13 April 2007 by Lennetha L Dyar. Current Amendments are highlighted by line on right column coupled with underlines or strikeouts. In brief, the applicant has removed Grouping of Claims and insert this with Arguments at page 9.

15

Status of Claims at page 4 has been amended and Evidence Appendix at page 35 and Related Proceedings Appendix at page 36 added with 'None' therein. Thank you.

Yours truly,

20

A handwritten signature in black ink, appearing to be 'KHAI H KWAN', with a long horizontal stroke extending to the right.

Khai H Kwan Esq  
Customer Number 023336

29 April 2007

**Application number: 09/534233**

**Art Unit: 3692**

**Applicant: Khai Hee Kwan**

**Examiner: Clement, B Graham.**

Title: System and method for conducting an electronic financial asset deposit auction over computer network

REAL PARTY IN INTEREST

5

The real party in interest is the Applicant/Appellant, Khai Hee Kwan.

RELATED APPEALS AND INTERFERENCES

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Nothing further within the BPAI. However for your information, a petition was submitted on the 21 Jan 2007 to the Petition Office in regards to the validity of USPTO charging 'additional' fee contrary to MPEP 1204.01. The applicant has on the 3 Feb 2007, paid the requested 'additional' fee under protest as per Electronic Acknowledgement Receipt

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having EFS ID 1489117.

STATUS OF CLAIMS

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A copy of said claims are contained in the APPENDIX .

10     Claims 15-19 and 24-38 are rejected by the examiner under 35 USC 102(b) as being  
anticipated by Walker et al ( US Patent 5794207). The claims 15-19 and 24-38 are  
subject of this appeal. Claims 1-14 and 20-23 are cancelled. No other claims are pending.

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#### STATUS OF AMENDMENTS

No amendment has been filed subsequent to latest rejection dated Sept 26 2006.

SUMMARY OF CLAIMED INVENTION

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This invention was filed on March 24, 2000.

A. Claim 15 – Independent Method

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The present invention features a computerized network method for allowing potential depositors to soliciting deposit terms from financial institutions in an Auction environment (Page 17 of Specification). The invention includes providing financial and non financial bids. (Page 2 of Specification)

15

The participants (potential deposit applicants) are anonymous using a handle (Page 9 line 18) and provide their deposit offers over a network accessible by the financial institutions. In responding to the offers, financial institutions (not anonymous) would provide their bids during a first period (Page 24 line 10-15). In the second period, the anonymous deposit applicant will select the financial institution to reveal their identit(ies) to. (Page 8 line 22).

20

Claim 34 - Independent System

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This claim is directed to a system using ‘means’ which shares similar scope to Claim 15 and the summary of Claim 15 above is equally applicable.

**GROUND OF REJECTION TO BE REVIEWED ON APPEAL**

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A. Whether the examiner's claim rejection under 35 USC 102(b) for Claim 15-19 and 24-38 as anticipated by Walker (US Pat 5794207) is sustainable as per Action Letter mailed Sept 26 2006 (herein Action Letter).

**GROUPING OF CLAIMS**

- 5 Appellant submits that the claims to the extent separately identified and argued below, do not stand or fall together.



GROUPING OF CLAIMS

Appellant submits that the claims to the extent separately identified and argued below, do not stand or fall together.

5

ARGUMENT

*NOTE: The appellant respectfully ask the Board to verify the examiner's written claims' elements in Action Letter as it appears to have missing words or typo but generally different to what was amended as per submission July 2 2006. Therefore, appellant's submission will assume the text claims as per July 2 2006 (also restated in Appendix) as if amendments were incorporated as written and submitted.*

10

- 15 The current legal standard on anticipation can be stated as follows: "Anticipation under 35 USC 102 requires the disclosure in a single piece of prior art each and every limitation of a claimed invention " Apple Computer, Inc V Articulate Sys., Inc 234F.3d 14,20 (Fed Cir 2000) To anticipate a claim, a prior art reference must disclose every limitation of the claimed invention, either explicitly or inherently. See Glaxo Inc. v. Novopharm Ltd., 52
- 20 F.3d 1043, 1047, 34 USPQ2d 1565, 1567 (Fed. Cir. 1995). Anticipation is an issue of fact, see In re Graves, 69 F.3d 1147, 1141, 36 USPQ2d 1697, 1700 (Fed. Cir. 1995); Diversitech Corp. v. Century Steps, Inc., 850 F.2d 675, 677, 7 USPQ2d 1315, 1317 (Fed. Cir. 1988), and the question whether a claim limitation is inherent in a prior art reference is a factual issue on which evidence may be introduced, see Continental Can Co. USA v.
- 25 Monsanto Co., 948 F.2d 1264, 1268, 20 USPQ2d 1746, 1749 (Fed. Cir. 1991). An element may be inherently disclosed by prior art if "the prior art necessarily functions in accordance with the limitations" of the challenged claim. *King*, 801 F.2d at 1326; *see also Standard Havens Prods., Inc. v. Gencor Indus., Inc.*, 953 F.2d 1360, 1369 (Fed.Cir.1991), *cert. denied*, 506 U.S. 817, 113 S.Ct. 60, 121 L.Ed.2d 28 (1992). However inherency
- 30 cannot be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient. (In re Oelrich, 666 F.2d

578,581,212 USPQ 323,326 (CCPA 1981) (quoting *Hansgirg V Kemmer*, 102 F.2d 212, 214, 40 USPQ 665,667 (CCPA 1939)) (emphasis added). Thus, inherency permits in limited circumstances, an invention to be anticipated by prior art that is lacking minor but well known features or functions as seen by one skilled in the art.

A. Rejection under 35 USC 102(b)

Claim 15.

Firstly, the appellant wish to point out there is a typo in a missing coma between the words "...prospective depositors (,) the method...." as provided by the examiner in page 2 of Action Letter which is copied from the appellant's preamble in claim 1.

The appellant submits the examiner had not established prima facie because not all claims limitations are taught. In providing the explanation of where the claim limitations are taught by Walker, the examiner has erred by misinterpreting the claims in the present application and by mischaracterizing Walker's Conditional Purchase Offer. As explained by Walker, his invention provides "...allows prospective buyers of goods and services to communicate a binding purchase offer globally to potential sellers, for sellers conveniently to search for relevant buyer purchase offers, and for sellers potentially to bind a buyer to a contract based on the buyer's purchase offer." ( Walker: Abstract ).

As an initial matter, the examiner fails to show how Buyer and Sellers in Walker must necessarily shows Financial Institutions and Depositors, the two essential entities interacting with each other. It is also critical to recognise that identifying who is Buyer and Seller in Walker as Walker explains in his invention; it is a buyer driven transaction in the form of a Conditional Purchase Offer "CPO" back to the seller. Therefore the first issue is whether Walker's teaching shows buyers as depositors or Financial Institutions as

such recognition will reveal whether a CPO can be found originating from the 'buyer', whoever this may be. In this respect, the examiner fails to show how Walker's teaching could reach our claimed entities "financial institution and depositor". It is well known in the depositing art that financial asset such as cash is not saleable and said asset is  
5 provided to the financial institution on a deposit terms basis not CPO.

Secondly, it is pertinent to note that in the entire Walker's specification, the word "deposit" appears only TWICE. And in both cases, it refers to deposits that is understood by one skilled in the art of purchase to be a deposit to secure a transaction. For example  
10 in Col 22 line 30-33 and reads "This would allow a hotel, for example, to sell hotel room reservations that are cancelable on two days notice, with cancellations within the two day period resulting in forfeiture of deposit." It is well recognize here that deposit here refers to down payment for a hotel room which is different to deposits with a financial institution as claimed.

15 In the other instance at col 21 line 19 "The above protocols may be similarly applied to sellers, allowing for the creation of seller account 298. The primary difference being that seller account 298 is primarily used for deposits, with money flowing from seller to buyer in the case of deposit returns or refunds when the buyer does not find the received goods  
20 acceptable. Verification of funds available is therefore not as important for sellers." As easily understood, deposit here reflects the position of refunds or returns which is common in a transaction between a buyer and seller of a goods however this is not in the same context of deposit as used within the financial institution system which is claimed by the invention.

25 Therefore, it is not reasonable to read deposit affecting acceptability of goods to be the same as deposit as used by financial institutions and depositors.

Claim 15 has 4 elements as follows which are not found in Walker.

Element (a) provides “receiving a deposit application from a prospective depositor who is a respective one of the users offering money, securities or financial equivalent deposit offer terms;”

The examiner provides Col 8 lines 27-41 and col 9 line 65 and Col 31-44 from Walker. (The applicant notes there is NO Col beyond Col 36 so the above citation may be in error.)

Col 8 lines 27-41 described Walker’s Invention which deals with Purchase Offers between sellers and buyers which could not anticipate our depositor providing deposit offer terms. In particular there is no reasoning to show that deposit terms is capable of being a purchase transaction between a buyer and seller. It is well known in the art that by depositing money with a financial institution, this does not mean one is selling/buying money to/with the financial institution. The examiner also highlighted “ie money deposited in buyer escrow account to use as payment”. The appellant begs to disagree as money deposited in a buyer escrow is not the same as receiving deposit application offering money, securities or financial equivalent deposit terms. There is nothing to show an escrow account must reveal a financial institution’s deposit account. In fact, money kept in escrow means, money in the keeping of a third person for delivery to a given party upon the fulfillment of some condition which surely cannot be the same as depositing money with a financial institution.

Furthermore there is a distinction between placing a deposit for a purchase (payment) and offering deposit terms in order to earn interest over a period. The latter raising a liability with the acceptor according to terms providing by depositor. In Walker, the buyer

provides conditional purchase offer to BUY some goods ( See Walker Fig 5 at Box 515 and conditions in Box 535).

As for Col 9 line 65 this teaches “ more difficult for unauthorized persons to tamper with....” which the appellant submits adds nothing to show anticipating element (a).

Referring to element (c) “receiving from at least one financial institution, who is a respective one of the users communicating over the network, at least a bid for said deposit application wherein said bid being deposit terms comprising at least one of : type of guarantees, payment schedule, deposit rate, securities in exchange or terms of exchange; and”

Firstly, this element is different to that presented at page 2 of Action Letter ( underlined means missing words in Action Letter). The examiner provided col 8 lines 27-67, col 9 lines 1-67, col 10 lines 1-7, col 15 lines 45-67 and col 16 lines 1-45.

The appellant respectfully rejects that these shows our element (c). Firstly Col 8 lines 27-67 shows “summary of the invention” wherein an example of a typical CPO – tickets are provided. Col 9 lines 1-67 continues from previous col 8. In particular, Col 9 line 17 onwards show a seller accepting a CPO by communicating intent which is not same as our element where the financial institution places a bid which has to evaluate by the potential depositor. In Col 9 line 45-50, Walker teaches conditional counter offer from seller to buyer. Even if this counter-offer is a bid, it still would not anticipates as nothing in Walker teaches the bid as a deposit term. In Col 10, lines 1-7, Walker teaches anonymity for both buyer and seller but this is in contrast to our element for anonymity for prospective depositors ( see preamble ) . In Col 15, lines 45-67 and col 16 lines 1-45, Walker teaches online embodiment and ways to setup the CPO. It is submitted that none of these show financial institution making a bid in an AUCTION environment ( see

preamble) wherein bids are deposit terms. The examiner made no reasoning to show that CPO must necessarily shows bare bids. For example, it has not been shown that a bid say 5 % for \$100,000 is a Conditional Purchase Offer (CPO).

- 5 Referring to element (d) “receiving an electronic instruction from said prospective depositor, notifying and authorizing at least one selected financial institution to access a real identity and personal information of said prospective depositor for a second selected period of time.”
- 10 The examiner provided the same reference as for element (c) above and added Col 5 lines 10-30 which teaches about traditional contract principles, contract need to be written for property and the use of EDI etc which has nothing to do with our claimed element for prospective depositor to release his real identity to a selected financial institution.
- 15 Furthermore, there is NO contract at all within claim 15, as it is purely to solicit deposit terms bids from financial institution (FI) and element (d) is use to reveal the depositor’s identity to selected FI in second period (assuming auction is closed).

None of the previous references suggested this either. As mentioned, while Walker teach

20 anonymity for buyer and seller, it did not teach anonymity for prospective depositor who as mentioned cannot be a buyer or seller as one logically cannot sell or buy money and as mentioned there is no contract for any transaction at this stage of the auction. Claim 15 deals with soliciting terms of deposit and not CPO.

- 25 While Walker did teach “Instead, the system may be used to consummate a contract involving an exchange of goods, services, or other non-monetary consideration. “ at Col 10 line 20-21, it is still submitted that there is no transaction as yet because claim 15 is to solicit FIs and allowing FIs who are selected in second period to decide whether to accept

the depositor or not after depositor's identity is revealed to FI.

Even if it teaches anonymity, these references when combined fails to show either the buyer or seller select the other party to reveal his or her own identity.

5

Referring to element (b) "assigning a handle to conceal a real identity of said prospective depositor and displaying said depositor's application anonymously", the examiner provided Col 10 lines 1-7 which reads "Anonymity is another advantage of the present invention. For numerous privacy and competitive reasons, buyers and sellers often prefer not to have their identities revealed to the general public when engaging in commercial transactions. The present invention effectuates the anonymity of buyers and sellers through the use of identification numbers stored in a database secured by the central controller. "Also note the examiner has written differently to the above at page 3.

10

15

In response, appellant has submitted that element (b) requires "prospective depositor" and not buyer or seller. Furthermore, Walker teach anonymising BOTH Buyer and Seller engaging in commercial transaction which is different to teaching anonymising prospective depositor who is merely soliciting bids from FI and more importantly reveal his/her identity only to those he/she selected as in element (d).

20

Therefore, the appellant respectfully submits that not all elements were taught by Walker and this claim rejection is in error.

25

Claim 18.

This claim which is dependent on claim 15 refers to the element "maintaining data representative of bids for the prospective depositor's application in a database accessible

to users over a network, said data comprising depositing terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange information on each of a plurality of submitted responsive bids.”

- 5 Although the examiner has grouped this claim with 15, the examiner provided no specific evidence to show how Walker meets this and therefore this rejection is in error.

Claim 19

- 10 This claim which is dependent on claim 15 refers to the element “adapted to further promote a completely anonymous deposit auction, comprising :

assigning a handle to conceal a real identity of said financial institution. “

- 15 In response while Walker has taught both sellers and buyers being anonymous, Walker fails to show anonymous deposit auction and the claimed element is for concealing the real identity of financial institution. And as submitted earlier, logically financial institution cannot buy or sell deposits because their business is to pay ‘interest’ on them.

20

Claim 16

This claim which is dependent on claim 15 refers to the element “step of receiving from said prospective depositor communicating over the network, an electronic instruction

- 25 selecting at least one of responsive financial institutions bided for said depositor’s application”

Firstly it is noted, the examiner’s restatement of the above claim element in page 3 of Action Letter appears to be different to above (our version).



Secondly, this claim is dependent on claim 15 which, the appellant already submitted is not anticipated by Walker. As the examiner provided evidence from Walker which is similar to those for element (d) for Claim 15, the appellant repeats the same in rebuttal.

- 5 Walker also fails to teach selecting at least one Financial Institution as in Walker's transaction, the sellers are selecting the CPOs or providing counter-offers (140 in Fig 4)

Claim 17

- 10 This claim which is dependent on claim 15 refers to the element "verifying the ownership of said money, securities or financial equivalent as subscribed by said prospective depositor"

The examiner provided Col 1 lines 15-20 and col 3 lines 40-55 from Walker.

- 15 The appellant respectfully disagrees as the evidence fails to show our claimed element. Col 1 lines 15-20 deals with seller driven market where Walker names a few. Col 3 lines 40-55 deals with the usage of request for proposal (RFP) which as Walker suggests favors the big organisation but "Sellers are deterred from using such a process because  
20 there is no guarantee of the authenticity of the RFP, the cost of negotiating with individual consumers is often too high, and it is difficult to enforce any agreement (including payment guarantees) which may be reached between the consumer and the seller."

25

Claim 24

As claim 24 covers the scope of Claim 15 except being in a different class, the appellant respectfully submits our argument as per claim 15 above. The examiner provides col 20  
5 lines 20-30 which the appellant submits fails to show our claimed elements.

Claim 25

As claim 25 covers the scope of Claim 16 except being in a different class, the appellant  
10 respectfully submits our argument as per claim 16 above. In addition to col 20, lines 20-30, the examiner also provides col 3 lines 45-65 and col 4 lines 5-65. Collectively these shows the problem with using RFP and discussion of advantages found in Walker's invention and history of contract. As for col 19 lines 45-60 and col 20 lines 5-10, Walker shows whether CPO is active and authenticating seller's ID and buyer can accept seller's  
15 response without verification and authentication. The later Col 20 shows Walker describing CPO being offered to multiple sellers say open to first 10 or until the funds for buyer is exhausted.

As per above, there is no evidence to show Walker teach depositor selecting one of  
20 financial institution.

Claim 26 & 28.

25 As claim 26 covers the scope of Claim 17 except being in a different class, the appellant respectfully submits our argument as per claim 17 above. The examiner also provided col 20 lines 20-30 which reads "There are many methods by which the providers of the system could derive a revenue stream. In one embodiment, a flat fee is charged for every

CPO 100 submitted. There could also be flat fees that would cover any number of CPOs 100 over a given period of time, allowing buyers to subscribe to the service much as they would subscribe to a newspaper. In another embodiment, central controller 200 calculates a discounted value of the price in which sellers receive only a percentage of the price of CPO 100. In another embodiment, advertisers pay to have messages listed along with CPOs 100, supplementing the costs of operating the system. Alternatively, the method and apparatus of the present invention may be employed without a payment feature.” (actual- col 20, line 16 to line 30)

Claim 26 covers verifying the ownership of said money, securities etc. The appellant respectfully submits that said above evidence fails to show this and the rejection is hence is error.

As claim 28 covers the scope of Claim 19 except being in a different class, the appellant respectfully submits our argument as per claim 19 above. The examiner provided col 20 line 20-30 as per above which the appellant respectfully submits has no teaching of anonymous deposit auction by assigning a handle to a financial institution.

Claim 27.

As claim 27 covers the scope of Claim 18 except being in a different class, the appellant respectfully submits our argument as per claim 18 above.

The examiner provided col 20 line 20-30 (see above) and col 1 line 15-20. The latter describes seller driven system which allows the seller to have control of pricing etc.

Claim 27 has limitations for a database storing bids with specific characteristics..  
“depositing terms, type of guarantees, payment schedule, deposit rate, securities in  
exchange and terms of exchange information on each of a plurality of submitted  
responsive bids”

5

Therefore it is clear that evidence presented by the examiner fails to meet this and the  
rejection is in error.

10 Claim 29

As claim 29 covers the scope of Claim 15 except being in a different class, the appellant  
respectfully submits our argument as per claim 15 above. The examiner provides col 1  
lines 15-20 and col 3 lines 45-55. The evidence in Col 1 etc shows seller driven system  
15 which allows the seller to have control of pricing etc. The evidence in Col 3 lines 45-55  
shows the problem with using RFP as mentioned above.

The appellant respectfully submits that these teaching fails to show the subject matter as  
claimed in Claim 29.

20

Claim 30

As claim 30 covers the scope of Claim 16 except being in a different class, the appellant  
25 respectfully submits our argument as per claim 16 above. The examiner shows col 3 lines  
45-65 and col 4 lines 5-65 and col 19 lines 45-60 and col 20 lines 5-10 as meeting the  
element of “step of receiving from said prospective depositor communicating over the

network, an electronic instruction selecting at least one of responsive financial institutions bided for said depositor's application" as per Claim 16.

The evidence in col 3 shows the disadvantages of RFP while col 4 deals with the Walker's CPO which overcomes some of the issues stated in col 3 and proceeded to give some background on contract formation. As for col 19 and col 20, Walker shows whether CPO is active and authenticating seller's ID and buyer can accept seller's response without verification and authentication. The later Col 20 shows Walker describing CPO being offered to multiple sellers say open to first 10 or until the funds for buyer is exhausted.

The appellant respectfully submits this fails to show selecting financial institution by prospective depositor.

Claim 31

As claim 31 covers the scope of Claim 17 except being in a different class, the appellant respectfully submits our argument as per claim 17 above which limits "verifying the ownership of said money, securities or financial equivalent as subscribed by said prospective depositor".

The examiner provided col 1 lines 15-20 and col 3 lines 40-55 which teach seller driven system and issues with RFP. The appellant submits this has no teaching on verifying ownership of money, securities etc .

Claim 32

As claim 32 covers the scope of Claim 18 except being in a different class, the appellant respectfully submits our argument as per claim 18 above. The examiner provided col 1  
5 lines 15-20 and col 3 lines 40-55 which teach seller driven system and issues with RFP.

The appellant submits this has no database storing bids with specific characteristics “depositing terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange information on each of a plurality of submitted  
10 responsive bids”

Claim 33

15 As claim 33 covers the scope of Claim 19 except being in a different class, the appellant respectfully submits our argument as per claim 19 above. The examiner provided col 3 line 55 which reads “ difficult, if not impossible, for sellers to find RFPs”

20 Appellant respectfully submits this has no teaching of anonymous deposit auction by assigning a handle to a financial institution hence the rejection is in error.

Claim 34

25

Claims 34 is an independent system claim using means plus elements which are found in independent method claim 15.

Understandably, claim 34 also has 4 elements as above in 15.

5 The examiner states that appellant's preamble has been met by Walker ( col 8 lines 27-67 and col 9 lines 1-67 and col 10 lines 1-7 and col 15 lines 45-67 and col 16 lines 1-45). Col 8 lines 27-67 and col 9 lines 1-67 and col 10 lines 1-7 describe Walker's invention of providing bilateral buyer driven CPO system. The paragraphs starts from Summary of Invention provides examples (ticket) etc . The Appellant respectfully submits that none of the teaching shows having a deposit auction system to solicit competitive terms of deposit  
10 and no deposit applications either. While anonymity is taught by Walker for BOTH buyer and seller (col 10 lines 1-7), this does not necessarily teach the anonymity is for prospective depositor by assigning a handle. The examiner provided no reasoning to show how a prospective depositor is a buyer or seller ? As for col 15 and 16 in Walker, this merely shows Online embodiment. There is nothing in this embodiment to support  
15 deposit auction and given the meaning of deposit in Walker as a lien for receiving acceptable goods, it is not reasonable to read this into deposit as used by financial institutions and depositors.

20 Element (a) as per this claim "means for receiving a deposit application from a prospective depositor who is a respective one of the users offering money, securities or financial equivalent deposit offer terms;"

25 The examiner had offered the same evidence as above in Walker col 8 lines 27-67 and col 9 lines 1-67 and col 10 lines 1-7 and col 15 lines 45-67 and col 16 lines 1-45. The appellant respectfully submits the teaching fails to meet this element. In particular, CPO is not deposit offer terms and deposit as used by a buyer and seller in Walker is to ensure goods are acceptable whereas, a prospective depositor in this claimed invention is offering his financial assets under certain terms.

Element (b) as per this claim “anonymity means for assigning a handle to conceal a real identity of the said prospective depositor for displaying said depositor’s application anonymously;” The examiner provided the same evidence as above and as mentioned, there is no teaching to conceal the prospective depositor’s real identity. Walker teaches both Buyer and Seller can be anonymous. Furthermore no explanation was provided by the examiner to show how either one can be a depositor. Therefore, this element has not been met.

Element (c) as per this claim “means for receiving from at least one financial institution, who is a respective one of the users communicating over the network, at least a bid for said deposit application offer wherein said bid being depositing terms comprising at least one of : type of guarantees, payment schedule, deposit rate, securities in exchange or terms of exchange; and”

The examiner asserts that col 3 line 65 and col 4 line 5-15 shows bid being depositing terms. For completeness, the appellant has reproduced the teaching as follows: “ In turn, the absence of a critical mass of sellers reduces the incentive for buyers to post their RFPs. Accordingly, there is a need for a centralized buyer-driven system of bilateral electronic commerce capable of being utilized by even small consumers to communicate their purchasing needs globally to potential sellers which addresses the deficiencies of the prior art. The advantages of such a system are manifold. It is the only way for a buyer efficiently to reach a large market of potential sellers. It also allows the buyer to set the terms he is willing to accept. As an additional advantage, it gives the sellers an indication of the state of the market for their product. Finally, since this technology is electronically based, costs are kept to a minimum. A key element necessary to achieve a critical mass of seller participation in such a bilateral electronic buyer-driven system is the seller’s ability to bind a buyer to a legal contract under the terms of the buyer’s posted offer. “



It is submitted that the above teaching fails to show “bid being depositing terms”.

- 5 The examiner further alleged that “type of guarantees, payment schedule, deposit rate, securities in exchange or terms of exchange” are found in Col 3 lines 45-65 and col 4 lines 5-65. The appellant respectfully disagrees. Col 3 lines 45-65 teaches the problem with using RFPs and col 4 lines 5-65 deals with Walker’s invention able to overcome some of the issues with RFPs in the form of CPO with notes on Basic Contract.
- 10 Element (d) as per this claim “means for receiving an electronic instruction from said prospective depositor, notifying and authorizing at least one selected financial institution to access a real identity and personal information of said prospective depositor for a second selected period of time.”
- 15 This element requires the prospective depositor to allow his identity to be known only to selected financial institutions. The examiner provided col 5 lines 10-30 which reads as follows in quotes:
- 20 “ However, the rule is only invoked if the contract is of a certain type, such as a contract for the sale of real property. The primary purpose of this rule is to obviate perjury. The result is that oral contracts are often unenforceable. However, because this often leads to unjust results, courts are construing it narrowly and policy makers are lobbying for its repeal.
- 25 Electronic Contracting Law and the Current State of the Art

With the advent of new technology, methods of doing business are rapidly expanding. These new methods challenge traditional contract principles, which are premised on

personal contact and paper contracts. Thus, some legal issues in the field of electronic commerce remain unresolved.

One such technology is known as EDI, or electronic data interchange. It is known that,  
5 using EDI, one party can transfer information and legally relevant "documents"  
electronically to another for direct processing in the other party's information systems.

Most EDI environments involve ongoing relationships between companies engaged in a supply or similar contract that extends over time. In current practice, many EDI  
10 exchanges occur under broader contracts regulating the terms of the relationship between the two parties. "

The appellant respectfully submits that the above teaching fails to show prospective  
15 depositor authorizing financial institution access to his real identity and personal information.

In summary, the appellant respectfully submits not all element/limitations have been shown and hence the rejection is in error.

20

Claim 35,37,38

Claim 35, 37 and 38 actually correspond to claim 16, 18,19 and therefore we submit the  
25 same rebuttal as above found in claim 16,18,19.

Claim 36

Applicant respectfully disagrees with the Examiner's assertion that this feature is old and well known in the art. The examiner does not cite any references or

- 5 publication nor does the examiner provide any other evidence to support this contention. The examiner may take official notice of facts outside of the record which are capable of instant and unquestionable demonstration as being "well-known" in the art. *In re Ahlert*, 57 C.C.P.A. 1023, 424 F.2d 1088, 1091, 165 USPQ 418, 420 (CCPA 1970) ... When a rejection is based on facts within the personal
- 10 knowledge of the examiner, the data should be stated as specifically as possible, and the facts must be supported, when called for by the applicant, by an affidavit from the examiner. Such an affidavit is subject to contradiction or explanation by the affidavits of the applicant and other persons. See 37 CFR 1.104(d)(2).
- 15 To date, the examiner had not produced any affidavit or documents supporting this rejection. Furthermore, the examiner appears to have combine Walker and Franklin with old in the art to try to show this is obvious? ( See page 5 of Action Letter). The appellant respectfully ask the examiner to reconsider whether this claim is rejected under 102 as originally stated. The appellant respectfully submits this rejection is in error and therefore
- 20 be reverse.

In summary for all the above argument, it is submitted that not all the limitations have been taught by the cited references and a prima facie case of anticipation has not been established, and such claims above have therefore been erroneously rejected. In addition

25 because of the failure to establish prima facie, the burden has not shifted to the appellant to rebut an obviousness assertion.

**Application number: 09/534233**

**Art Unit: 3692**

**Applicant: Khai Hee Kwan**

**Examiner: Clement, B Graham.**

Title: System and method for conducting an electronic financial asset deposit auction over computer network

It is therefore respectfully request that the board reverse the rejections for claims 15-19 and 24-38.

5 Yours truly,

A handwritten signature in black ink, appearing to be 'KHAI KWAN', with a long horizontal stroke extending to the right.

Khai Kwan

Appellant/Applicant

Appendix

Text of Claims as per this Appeal.

5

15. A method for soliciting competitive terms of deposit operating on a deposit auction system, said system including a programmed computer connected to a network accessible by a plurality of users within a first selected period of time and anonymity means for concealing the identities of prospective depositors, the method executable at said computer comprising:

10

a) receiving a deposit application from a prospective depositor who is a respective one of the users offering money, securities or financial equivalent deposit offer terms,;

15

b) assigning a handle to conceal a real identity of said prospective depositor and displaying said depositor's application anonymously;

20

c) receiving from at least one financial institution, who is a respective one of the users communicating over the network, at least a bid for said deposit application wherein said bid being deposit terms comprising at least one of: type of guarantees, payment schedule, deposit rate, securities in exchange or terms of exchange; and

25

d ) receiving an electronic instruction from said prospective depositor,

notifying and authorizing at least one selected financial institution to access a real identity and personal information of said prospective depositor for a second selected period of time.

5 16. The method according to claim 15, further comprising a step of receiving from said prospective depositor communicating over the network, an electronic instruction selecting at least one of responsive financial institutions bided for said depositor's application.

10 17. The method according to claim 15, includes a step of verifying the ownership of said money, securities or financial equivalent as subscribed by said prospective depositor .

15 18. The method according to claim 15, further comprising a step of maintaining data representative of bids for the prospective depositor's application in a database accessible to users over a network, said data comprising depositing terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange information on each of a plurality of submitted responsive bids.

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19. The method according to claim 15, adapted to further promote a completely anonymous deposit auction, comprising :

assigning a handle to conceal a real identity of said financial institution.

24. A deposit auction system including a computer connected to a network programmed to perform the method of Claim 15.

5 25. A deposit auction system including a computer connected to a network programmed to perform the method of Claim 16.

26. A deposit auction system including a computer connected to a network programmed to perform the method of Claim 17.

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27. A deposit auction system including a computer connected to a network programmed to perform the method of Claim 18.

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28. A deposit auction system including a computer connected to a network programmed to perform the method of Claim 19.

29. Computer executable software code stored on a computer readable storage medium implementing the method of claim 15.

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30. Computer executable software code stored on a computer readable storage medium implementing the method of claim 16.

31. Computer executable software code stored on a computer readable

storage medium implementing the method of claim 17.

32. Computer executable software code stored on a computer readable storage medium implementing the method of claim 18.

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33. Computer executable software code stored on a computer readable storage medium implementing the method of claim 19.

34. A deposit auction system for soliciting competitive terms of deposit  
10 connected to a network, said network comprising at least one client computer and a programmed computer further comprising a database of deposit applications, said network accessible by a plurality of users within a first selected period of time, comprising:

15 a) means for receiving a deposit application from a prospective depositor who is a respective one of the users offering money, securities or financial equivalent deposit offer terms;

b) anonymity means for assigning a handle to conceal a real identity of  
20 the said prospective depositor for displaying said depositor's application anonymously;

c) means for receiving from at least one financial institution, who is a respective one of the users communicating over the network, at least a bid



for said deposit application offer wherein said bid being depositing terms comprising at least one of : type of guarantees, payment schedule, deposit rate, securities in exchange or terms of exchange; and

5     d)     means for receiving an electronic instruction from said prospective depositor, notifying and authorizing at least one selected financial institution to access a real identity and personal information of said prospective depositor for a second selected period of time.

10    35. The system according to claim 34, further comprising means for receiving from deposit applicant communicating over the network, an electronic instruction selecting at least one of responsive financial institutions bided for said prospective depositor's application.

15    36. The system according to claim 34, further comprising means for verifying the ownership of said money, securities or financial equivalent as subscribed by prospective depositor .

20    37. The system according to claim 34, further comprising means for maintaining data representative of bids for the prospective depositor's application in a database accessible to users over a network, said data comprising depositing terms, type of guarantees, payment schedule, deposit rate, securities in exchange and terms of exchange information on each of a plurality of submitted responsive bids.

38. The system according to claim 34, adapted to further promote a completely anonymous deposit auction, by including means for assigning a handle to conceal a real identity of said financial institution.

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Evidence Appendix

NONE

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**Application number: 09/534233**

**Art Unit: 3692**

**Applicant: Khai Hee Kwan**

**Examiner: Clement, B Graham.**

Title: System and method for conducting an electronic financial asset deposit auction over computer network

Related Proceedings Appendix

NONE